

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF GTE SOUTH)
INCORPORATED TO ESTABLISH RATES AND) CASE NO. 93-081
CHARGES FOR LOCAL CALLING PLANS)

O R D E R

On February 12, 1993, GTE South Incorporated ("GTE") filed a proposed tariff to establish rates and charges for GTE Local Calling Plans. GTE proposed that the tariff filing become effective on and after January 10, 1994. The Commission has suspended this tariff until that time. GTE Local Calling Plans, as proposed, establish three calling plans - Community Plus, Basic Calling, or Premium Calling - for all business and residence one-party and PBX customers in the Lexington, Nicholasville, Versailles, and Wilmore exchanges. On July 7, 1993, GTE filed responses to the Commission's June 7, 1993 data request. The Commission needs additional information.

IT IS THEREFORE ORDERED that GTE shall file the original and 10 copies of the following information with the Commission, with a copy to all parties of record, no later than 30 days from the date of this Order. If the information cannot be provided by this date, GTE should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which the information will be furnished. Such motion will be considered by the Commission. GTE shall furnish with each response the name of

the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

1. In Item 1, page 1 of 1, GTE states that its goals are to meet a targeted 50 to 60 percent toll discount and file rates as similar as possible to South Central Bell's approved Area Calling Service ("ACS") rates.

a. Explain why South Central Bell's approved ACS rates were chosen as benchmark rates.

b. The residential rates in GTE's Basic Local Calling Plan are higher than South Central Bell's approved ACS usage and service line charges. Provide all documentation, assumptions and workpapers explaining why it was not possible to match South Central Bell's approved ACS rates.

c. Provide a numerical example illustrating the derivation of the Basic Local Calling Plan usage rates and service line charges.

d. Explain the cost justification behind the Local Calling Plan toll rates and service line charges for the Basic and Premium Local Calling Plans.

e. Under the Basic Local Calling Plan, do customers receive a service line charge discount for choosing not to have the calls listed on their bills? Explain.

f. For the Basic Calling Plan, explain why the 50 percent usage rate discount starting point is 9:00 p.m. rather than 8:00 p.m.

2. In Item 3, page 1 of 1, for GTE's analogous Local Calling Plan in West Virginia, were all customers who did not select a plan automatically placed in the Community Plus calling plan?

3. Under South Central Bell's approved ACS plan, customers choosing to remain with their current local calling area can continue to use an interexchange carrier ("IXC") for their toll calls.

a. With its Community Plus calling plan GTE will carry calls previously carried by IXCs without allowing customers a choice of carriers. For Lexington residents, calls to Paris will be carried by GTE, rather than an IXC. Explain why GTE proposes to not allow its customers to continue to select an IXC for these intraLATA routes.

b. Compare the estimated revenue impact on GTE regarding these intraLATA traffic routes if intraLATA calls are carried exclusively by GTE to intraLATA calls being carried by the provider of the customers' choice. Provide all documentation and workpapers used to derive the new estimates.

c. Explain how allowing customers to choose carriers under the Community Plus plan affects revenue neutrality.

IT IS FURTHER ORDERED that:

1. GTE shall provide any information which it wishes the Commission to consider as prefiled testimony. It is not necessary that GTE refile information supplied in its application or responses to the Commission's data requests.

2. GTE shall, within 20 days of the date of this Order, provide the names and qualifications of witnesses to address each of the issues of this proceeding.

3. GTE shall appear at a hearing scheduled on October 13, 1993, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

4. GTE shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5).

5. Any request to reschedule the hearing is to be made in writing and filed at least two business days prior to the date of the scheduled hearing.

Done at Frankfort, Kentucky, this 18th day of August, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director